

ORIGINAL

NEW APPLICATION

ARIZONA CORPORATION CO



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W-02860A-05-0727

FINANCING APPLICATION

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NACO WATER CO. LLC

UTILITY NAME

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NACO WATER COMPANY, LLC.

**P.O. BOX 85160
TUCSON, ARIZONA 85754
(520)623-5172**

FINANCE APPLICATION

NACO WATER COMPANY, LLC
FINANCE APPLICATION

Applicant: Naco Water Company
Mailing Address: P.O. Box 85160
Tucson, Arizona 85754
Telephone Number: 520-623-5172
Fax: 520-792-0377

Physical Address: 2102 N. Forbes Blvd.
Suite 107
Tucson, Arizona 85742

Authorized Agent: Bonnie O'Connor
P.O. Box 85160
Tucson, Arizona 85754

Naco Water Company, LLC
System #(s) 02-024, 02-112, 02-133

Proposed Project

Drinking Water Project:

- 1) Naco Water Company is in dire need of the completion of the project started in 1999. WIFA loan # 922022-99. The request for approval of the WIFA loan & rate increase approval took an exceedingly long time, approximately two years from the time of the request for rate increase with the Arizona Corporation Commission and WIFA Financing request. This led to an increase to the original estimated costs as proposed by the Company, which in turn left the actual project cost severely understated. Naco Water Company ran out of funds before being able to complete the project. The benefit that will be achieved would be finishing the upgrade of the system that has not been able to be fully put in use.
- 2) The existing facility remains substandard, in that, much of the new water main that was installed in front of many homes have not as yet been able to be hooked up to the new line due to lack of funds. Many of the old meters are located behind the homes in narrow alleyways and need to be relocated to the front of the home where the new water line is in place. The next problem is hooking up the homeowner from the new water line in the new utility easement to their home. If the water source is in the back of the home, the new line will have to be run from the meter in front of the home to the back of the home if that is where it is located. Then there is the obvious liability this creates in accessing private property, i.e. damaging trees, shrubs, lawns etc. The system is so old, I am sure we will run into the scenario of water pressure being an issue. Since the new system will obviously have more pressure, I think governors will have to be put in place to control the extra pressure within the home.

Naco Water Company recently was permitted by WIFA to utilize their reserve funds for a project that was required by Cochise County. The County was widening a road in the Border Road area in Bisbee Junction and needed the water lines moved and buried deeper.

At the same time a well went down and a new well had to be drilled leaving a deficit of approximately \$30,000.00 over and above of the reserve fund that was available.

We have recently been advised that Well #4 is having problems and needs to be addressed before the summer months. We have recently had the pump replaced at a cost of \$4,300.00, but it doesn't seem to be helping the situation at all.

Naco Water Company, LLC
System #(s) 02-024, 02-112, 02-133

Proposed Project (continued)

Needless to say this situation is extremely urgent and something must be done in order for the water customers to continue to receive water with uninterrupted service. We are in hope that Naco Water Company will be put on a priority list for Project Technical Assistance as well as funding for the needed projects as soon as possible.

- 3) There are no Notice of Violations or Consent Orders from a regulating agency.
- 4) No, the project will not involve consolidation of existing facilities. The project will involve the continuation of upgrading the water system.
- 5) Naco Water Company was previously funded by WIFA in 1999. The original amount funded was \$671,000.00. The current balance of the loan as of 12/31/04 is \$478,399.00.

We are currently estimating the cost of the needed completion to be in the neighborhood of an additional \$700,000.00 to \$800,000.00. It is truly impossible to know the exact cost at this time as we do not know how involved the process will be to get the water from the old line to the new line at some of the customer's homes.

As you can see, Well #4 is of the utmost urgency at this time. Some Naco Water customers are at risk of being without water in the near future if another well goes down. Well #4 is about 10 years old, approximately 400 ft. deep and is going dry. It is pumping very slow and needs to be deepened if possible or if not a new well needs to be drilled. When the summer months get here the demand will be too great for the well to handle. We are currently hauling 4 to 6 loads of water per day at a cost of approximately \$2,000.00 per day due to having to pull the well pump and drop a camera to see what the condition the well is in. There is a extreme amount of corrosion on the pipe and pump so it must be cleaned before putting the pump back in operation. We are hoping this will help the well situation to a point.

CASH FLOW ANALYSIS YEAR END 12/31/2004

Operating Revenue:		<u>\$163,893</u>
Operating Expenses:		
	All other Operating Expenses	\$103,198
	Depreciation	\$45,857
	Property Taxes	\$9,762
	Other Taxes	<u>\$0</u>
		<u>\$158,817</u>
Operating Income (Per P & L)		\$5,076
Add Back In Depreciation		<u>\$45,857</u>
Total Cash Available		<u>\$50,933</u>
Less:		
WIFA #1	Annual Principal and Interest Payment (\$3,973.05 x 12)	\$47,677
WIFA #1	Annual Debt Service Reserve Payment (\$423.18 x 12)	\$5,077
WIFA #1	Annual Reserve fund "Catch-Up" Payment (\$1,218.08 x 12)	<u>\$14,617</u>
	Subtotal	<u>\$67,371</u>
WIFA #1	Annual Repair and Maintenance Payment (\$794.61 x 12)	<u>\$9,535</u>
WIFA #1	Total Debt Service & Repair Requirement WIFA Loan #1	<u>\$76,906</u>
Less:		
WIFA #2	If Approved Annual Principal and Interest Payment (\$6,489.73 x 12)	\$77,869
WIFA #2	If Approved Annual Debt Service Reserve Payment (\$1,081.62 x 12)	\$12,979
* WIFA #2	If Approved Annual Repair & Replacement Fund Payment (\$1,081.62 x 12)	<u>\$12,979</u>
WIFA #2	If Approved Total Debt Service & Repair Requirement WIFA Loan #2	<u>\$103,827</u>
Total Cash Needed for Debt		\$180,733
Cash Needed to Break Even		\$129,800
** Surcharge Implemented Per Docket #W-02860A-05-0184		\$30,225
*** Total Cash Needed for Debt		\$99,575

* Funding to begin 07/01/11

** Surcharge implemented for emergency rates 8/1/05

*** This amount was based on using a WIFA Loan amount of an additional \$700,000. Depending on the actual cost study, not as yet finalized, but will be provided per a WIFA grant obtained by Naco Water Co., this amount most likely will increase.

EXHIBIT "A"

NACO WATER COMPANY, LLC

	# Of Feet	Location:				
1)	7920	1 service - Gore Ranch Road (over fence) - Purdy Lane (1 meter)				
2)	400	Purdy Lane				
3)	200	" "				
4)	275	" "				
5)	1060	" "				
6)	300	" "				
7)	785	Southern Pacific Railroad (SPRR)				
8)	1100	" "				
9)	5280	1 Service (Airport) pumps to holding tank - S. Bisbee Junction Rd.				
10)	800	SPRR				
11)	2680	E. Saguaro Lane, Bisbee Junction Rd., S. Box Turtle				
12)	440	S. Cactus Lane				
13)	440	E. Mulberry Lane				
14)	500	E. Mulberry Lane				
15)	2440	Border Rd.				
16)	750	1 Service				

Total Ft	25370	\$ 20.00 ft	\$507,400.00	Estimate
#Meters	75	\$ 500.00 ea	\$ 37,500.00	Estimate (Includes Meter/Box, Lids & Labor)
<u>2 RR Crossing Bores:</u>			\$ 18,000.00	Estimate
			\$562,900.00	
<u>Management Fee:</u>			\$ 75,000.00	Estimate
			\$637,900.00	Approximate Cost *

* Does not include cost of drilling new Well #4, distribution line from well to storage or well site purchase. This is an informal estimate of cost as WIFA has given Naco Water Co. a technical assistance grant wherein a formal estimate will be acquired. We expect the estimate could increase as much as \$150,000.00 at the time of actual construction due to pipe and material costs which increase daily in some cases.

Section 1: Financial Assistance Terms and Conditions**NACO WATER COMPANY**

19-Aug-05

Loan Number.....**SAMPLE LOAN REPAYMENT SCHEDULE**

Closing Date..... 01/01/06

Financial Assistance Terms and Conditions

Original Loan Amount as of the Closing Date.....	\$ 700,000.00
Final Loan Amount as of Release of Retention.....	\$ 700,000.00
Loan Term.....	20
First Fixed Monthly Payment.....	07/01/06
Final Fixed Monthly Payment.....	01/01/26

Debt Service Reserve Fund Requirements (Held by WIFA)

Total Reserve Amount.....	\$ 64,897.26
Monthly Deposit.....	\$ 1,081.62
Reserve Funded by (Date).....	06/01/11

*WIFA will apply earnings on Debt Service Reserve to Principal Repayment.***Repair and Replacement Fund Requirement (Held by Borrower)**

Begin Funding on (Date).....	07/01/11
Annual Amount.....	\$ 12,979.45
Monthly Deposit.....	\$ 1,081.62

Monthly Payment**Period #7 - 1st Debt Service Payment**

Maximum Payment (Includes interest payable from Closing to 1st Payment).....	\$ 26,323.06
Minimum Payment	\$ 6,489.73

WIFA will calculate the first payment due on Period #7; payment will depend on actual loan draws.

Periods #8 through #66.....	\$ 6,489.73
Periods #67 through #120.....	\$ 5,408.11
Periods #121 through #180.....	\$ 5,408.11
Periods #181 through #240.....	\$ 5,408.11

Section 2: Loan Repayment Schedule, Repayment Periods 1 through 80
NACO WATER COMPANY
19-Aug-05

Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment	Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment
1	02/01/06	6.800%	0.00	41	06/01/09	6.800%	6,489.73
2	03/01/06	6.800%	0.00	42	07/01/09	6.800%	6,489.73
3	04/01/06	6.800%	0.00	43	08/01/09	6.800%	6,489.73
4	05/01/06	6.800%	0.00	44	09/01/09	6.800%	6,489.73
5	06/01/06	6.800%	0.00	45	10/01/09	6.800%	6,489.73
6	07/01/06	6.800%	0.00	46	11/01/09	6.800%	6,489.73
7	08/01/06	6.800%	26,323.06	47	12/01/09	6.800%	6,489.73
8	09/01/06	6.800%	6,489.73	48	01/01/10	6.800%	6,489.73
9	10/01/06	6.800%	6,489.73	49	02/01/10	6.800%	6,489.73
10	11/01/06	6.800%	6,489.73	50	03/01/10	6.800%	6,489.73
11	12/01/06	6.800%	6,489.73	51	04/01/10	6.800%	6,489.73
12	01/01/07	6.800%	6,489.73	52	05/01/10	6.800%	6,489.73
13	02/01/07	6.800%	6,489.73	53	06/01/10	6.800%	6,489.73
14	03/01/07	6.800%	6,489.73	54	07/01/10	6.800%	6,489.73
15	04/01/07	6.800%	6,489.73	55	08/01/10	6.800%	6,489.73
16	05/01/07	6.800%	6,489.73	56	09/01/10	6.800%	6,489.73
17	06/01/07	6.800%	6,489.73	57	10/01/10	6.800%	6,489.73
18	07/01/07	6.800%	6,489.73	58	11/01/10	6.800%	6,489.73
19	08/01/07	6.800%	6,489.73	59	12/01/10	6.800%	6,489.73
20	09/01/07	6.800%	6,489.73	60	01/01/11	6.800%	6,489.73
21	10/01/07	6.800%	6,489.73	61	02/01/11	6.800%	6,489.73
22	11/01/07	6.800%	6,489.73	62	03/01/11	6.800%	6,489.73
23	12/01/07	6.800%	6,489.73	63	04/01/11	6.800%	6,489.73
24	01/01/08	6.800%	6,489.73	64	05/01/11	6.800%	6,489.73
25	02/01/08	6.800%	6,489.73	65	06/01/11	6.800%	6,489.73
26	03/01/08	6.800%	6,489.73	66	07/01/11	6.800%	6,489.73
27	04/01/08	6.800%	6,489.73	67	08/01/11	6.800%	5,408.11
28	05/01/08	6.800%	6,489.73	68	09/01/11	6.800%	5,408.11
29	06/01/08	6.800%	6,489.73	69	10/01/11	6.800%	5,408.11
30	07/01/08	6.800%	6,489.73	70	11/01/11	6.800%	5,408.11
31	08/01/08	6.800%	6,489.73	71	12/01/11	6.800%	5,408.11
32	09/01/08	6.800%	6,489.73	72	01/01/12	6.800%	5,408.11
33	10/01/08	6.800%	6,489.73	73	02/01/12	6.800%	5,408.11
34	11/01/08	6.800%	6,489.73	74	03/01/12	6.800%	5,408.11
35	12/01/08	6.800%	6,489.73	75	04/01/12	6.800%	5,408.11
36	01/01/09	6.800%	6,489.73	76	05/01/12	6.800%	5,408.11
37	02/01/09	6.800%	6,489.73	77	06/01/12	6.800%	5,408.11
38	03/01/09	6.800%	6,489.73	78	07/01/12	6.800%	5,408.11
39	04/01/09	6.800%	6,489.73	79	08/01/12	6.800%	5,408.11
40	05/01/09	6.800%	6,489.73	80	09/01/12	6.800%	5,408.11

Section 3: Loan Repayment Schedule, Repayment Periods 81 through 160
NACO WATER COMPANY
19-Aug-05

Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment	Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment
81	10/01/12	6.800%	5,408.11	121	02/01/16	6.800%	5,408.11
82	11/01/12	6.800%	5,408.11	122	03/01/16	6.800%	5,408.11
83	12/01/12	6.800%	5,408.11	123	04/01/16	6.800%	5,408.11
84	01/01/13	6.800%	5,408.11	124	05/01/16	6.800%	5,408.11
85	02/01/13	6.800%	5,408.11	125	06/01/16	6.800%	5,408.11
86	03/01/13	6.800%	5,408.11	126	07/01/16	6.800%	5,408.11
87	04/01/13	6.800%	5,408.11	127	08/01/16	6.800%	5,408.11
88	05/01/13	6.800%	5,408.11	128	09/01/16	6.800%	5,408.11
89	06/01/13	6.800%	5,408.11	129	10/01/16	6.800%	5,408.11
90	07/01/13	6.800%	5,408.11	130	11/01/16	6.800%	5,408.11
91	08/01/13	6.800%	5,408.11	131	12/01/16	6.800%	5,408.11
92	09/01/13	6.800%	5,408.11	132	01/01/17	6.800%	5,408.11
93	10/01/13	6.800%	5,408.11	133	02/01/17	6.800%	5,408.11
94	11/01/13	6.800%	5,408.11	134	03/01/17	6.800%	5,408.11
95	12/01/13	6.800%	5,408.11	135	04/01/17	6.800%	5,408.11
96	01/01/14	6.800%	5,408.11	136	05/01/17	6.800%	5,408.11
97	02/01/14	6.800%	5,408.11	137	06/01/17	6.800%	5,408.11
98	03/01/14	6.800%	5,408.11	138	07/01/17	6.800%	5,408.11
99	04/01/14	6.800%	5,408.11	139	08/01/17	6.800%	5,408.11
100	05/01/14	6.800%	5,408.11	140	09/01/17	6.800%	5,408.11
101	06/01/14	6.800%	5,408.11	141	10/01/17	6.800%	5,408.11
102	07/01/14	6.800%	5,408.11	142	11/01/17	6.800%	5,408.11
103	08/01/14	6.800%	5,408.11	143	12/01/17	6.800%	5,408.11
104	09/01/14	6.800%	5,408.11	144	01/01/18	6.800%	5,408.11
105	10/01/14	6.800%	5,408.11	145	02/01/18	6.800%	5,408.11
106	11/01/14	6.800%	5,408.11	146	03/01/18	6.800%	5,408.11
107	12/01/14	6.800%	5,408.11	147	04/01/18	6.800%	5,408.11
108	01/01/15	6.800%	5,408.11	148	05/01/18	6.800%	5,408.11
109	02/01/15	6.800%	5,408.11	149	06/01/18	6.800%	5,408.11
110	03/01/15	6.800%	5,408.11	150	07/01/18	6.800%	5,408.11
111	04/01/15	6.800%	5,408.11	151	08/01/18	6.800%	5,408.11
112	05/01/15	6.800%	5,408.11	152	09/01/18	6.800%	5,408.11
113	06/01/15	6.800%	5,408.11	153	10/01/18	6.800%	5,408.11
114	07/01/15	6.800%	5,408.11	154	11/01/18	6.800%	5,408.11
115	08/01/15	6.800%	5,408.11	155	12/01/18	6.800%	5,408.11
116	09/01/15	6.800%	5,408.11	156	01/01/19	6.800%	5,408.11
117	10/01/15	6.800%	5,408.11	157	02/01/19	6.800%	5,408.11
118	11/01/15	6.800%	5,408.11	158	03/01/19	6.800%	5,408.11
119	12/01/15	6.800%	5,408.11	159	04/01/19	6.800%	5,408.11
120	01/01/16	6.800%	5,408.11	160	05/01/19	6.800%	5,408.11

Section 3: Loan Repayment Schedule, Periods 161 through 240
NACO WATER COMPANY
19-Aug-05

Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment	Period	Semi-Annual Payment Dates	Combined Interest and Fee Rate	Fixed Monthly Payment
161	06/01/19	6.800%	5,408.11	201	10/01/22	6.800%	5,408.11
162	07/01/19	6.800%	5,408.11	202	11/01/22	6.800%	5,408.11
163	08/01/19	6.800%	5,408.11	203	12/01/22	6.800%	5,408.11
164	09/01/19	6.800%	5,408.11	204	01/01/23	6.800%	5,408.11
165	10/01/19	6.800%	5,408.11	205	02/01/23	6.800%	5,408.11
166	11/01/19	6.800%	5,408.11	206	03/01/23	6.800%	5,408.11
167	12/01/19	6.800%	5,408.11	207	04/01/23	6.800%	5,408.11
168	01/01/20	6.800%	5,408.11	208	05/01/23	6.800%	5,408.11
169	02/01/20	6.800%	5,408.11	209	06/01/23	6.800%	5,408.11
170	03/01/20	6.800%	5,408.11	210	07/01/23	6.800%	5,408.11
171	04/01/20	6.800%	5,408.11	211	08/01/23	6.800%	5,408.11
172	05/01/20	6.800%	5,408.11	212	09/01/23	6.800%	5,408.11
173	06/01/20	6.800%	5,408.11	213	10/01/23	6.800%	5,408.11
174	07/01/20	6.800%	5,408.11	214	11/01/23	6.800%	5,408.11
175	08/01/20	6.800%	5,408.11	215	12/01/23	6.800%	5,408.11
176	09/01/20	6.800%	5,408.11	216	01/01/24	6.800%	5,408.11
177	10/01/20	6.800%	5,408.11	217	02/01/24	6.800%	5,408.11
178	11/01/20	6.800%	5,408.11	218	03/01/24	6.800%	5,408.11
179	12/01/20	6.800%	5,408.11	219	04/01/24	6.800%	5,408.11
180	01/01/21	6.800%	5,408.11	220	05/01/24	6.800%	5,408.11
181	02/01/21	6.800%	5,408.11	221	06/01/24	6.800%	5,408.11
182	03/01/21	6.800%	5,408.11	222	07/01/24	6.800%	5,408.11
183	04/01/21	6.800%	5,408.11	223	08/01/24	6.800%	5,408.11
184	05/01/21	6.800%	5,408.11	224	09/01/24	6.800%	5,408.11
185	06/01/21	6.800%	5,408.11	225	10/01/24	6.800%	5,408.11
186	07/01/21	6.800%	5,408.11	226	11/01/24	6.800%	5,408.11
187	08/01/21	6.800%	5,408.11	227	12/01/24	6.800%	5,408.11
188	09/01/21	6.800%	5,408.11	228	01/01/25	6.800%	5,408.11
189	10/01/21	6.800%	5,408.11	229	02/01/25	6.800%	5,408.11
190	11/01/21	6.800%	5,408.11	230	03/01/25	6.800%	5,408.11
191	12/01/21	6.800%	5,408.11	231	04/01/25	6.800%	5,408.11
192	01/01/22	6.800%	5,408.11	232	05/01/25	6.800%	5,408.11
193	02/01/22	6.800%	5,408.11	233	06/01/25	6.800%	5,408.11
194	03/01/22	6.800%	5,408.11	234	07/01/25	6.800%	5,408.11
195	04/01/22	6.800%	5,408.11	235	08/01/25	6.800%	5,408.11
196	05/01/22	6.800%	5,408.11	236	09/01/25	6.800%	5,408.11
197	06/01/22	6.800%	5,408.11	237	10/01/25	6.800%	5,408.11
198	07/01/22	6.800%	5,408.11	238	11/01/25	6.800%	5,408.11
199	08/01/22	6.800%	5,408.11	239	12/01/25	6.800%	5,408.11
200	09/01/22	6.800%	5,408.11	240	01/01/26	6.800%	5,408.11

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR 2003	TEST YEAR 2004	Pro Forma Balance YE End 2005	Pro Forma Balance YE 2006
461	Metered Water Revenue	\$169,511	\$160,919	\$183,513 *	\$203,516 *
460	Unmetered Water Revenue	\$0	\$0	\$0	\$0
474	Other Water Revenue	\$2,306	\$2,816	\$2,816	\$2,816
	TOTAL OPERATING REVENUES *	\$171,817	\$163,735	\$186,329	\$206,332
	OPERATING EXPENSES				
601	Salaries and Wages	\$15,217	\$15,204	\$15,204	\$15,204
610	Purchased Water	\$0	\$0	\$0	\$0
615	Purchased Power	\$9,227	\$9,357	\$9,357	\$9,600
618	Chemicals	\$916	\$2,145	\$2,145	\$2,300
620	Repairs and Maintenance	\$3,261	\$2,950	\$2,950	\$3,100
621	Office Supplies and Expense	\$3,906	\$3,788	\$3,788	\$3,788
630	Outside Services	\$52,338	\$52,458	\$52,458	\$52,458
635	Water Testing	\$2,340	\$2,981	\$2,981	\$3,100
641	Rents	\$2,400	\$2,777	\$2,777	\$2,777
650	Transportation Expense	\$4,686	\$5,840	\$5,840	\$6,200
657	Insurance - General Liability	\$2,811	\$2,896	\$2,896	\$2,896
659	Insurance - Health and Life	\$2,634	\$2,574	\$2,574	\$2,574
666	Regulatory Commission Expense - Rate Case	\$0	\$0	\$5,000	\$0
675	Miscellaneous Expense	\$17,270	\$11,837	\$14,500 ***	\$38,300 ***
403	Depreciation Expense	\$41,307	\$45,857	\$45,857	\$45,857
408	Taxes Other Than Income	\$0	\$0	\$0	\$0
408.11	Property Taxes	\$8,705	\$9,762	\$9,762	\$9,762
409	Income Tax	\$0	\$0	\$0	\$0
	TOTAL OPERATING EXPENSE	\$167,017	\$170,426	\$178,089	\$197,916
	OPERATING INCOME/(LOSS)	\$4,799	-\$6,691	\$8,240	\$8,416
	OTHER INCOME/(EXPENSE)				
419	Interest and Dividend Income	\$311	\$158	\$158	\$158
421	Non-Utility Income	\$0	\$0	\$0	\$0
426	Miscellaneous Non-Utility Expense	\$0	\$0	\$0	\$0
427	Interest Expense	\$4,332	\$4,724	\$9,724 **	\$9,724 **
	TOTAL OTHER INCOME/(EXPENSE)	\$4,021	\$4,567	\$9,566	\$9,882
	NET INCOME/(LOSS)	\$778	-\$11,257	-\$1,326	-\$1,466

*This number includes Surcharge implimented per Docket #W-02860A-05-0184 & assuming revenue increase from the ACC in 2006

**This number reflects the estimated projection of additional interest if WIFA loan is granted. See WIFA Sample

Schedule Loan Repayment in Finance section. Principal & Interest is lumped together therefore, I don't have an exact interest figure.

*** WIFA Fee Expense

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR 2004	Pro Forma Balance End of 2005	Pro Forma Balance End of 2006
	CURRENT AND ACCRUED ASSETS				
131	Cash	\$16,839	\$2,200	\$2,200	\$2,200
135	Temporary Cash Investments	\$0	\$0	\$0	\$0
141	Customer Accounts Receivable	\$22,020	\$22,336	\$22,336	\$22,336
146	Notes/Receivables from Associated Companies	\$0	\$0	\$0	\$0
151	Plant Materials & Supplies	\$0	\$0	\$0	\$0
162	Prepayments	\$0	\$0	\$0	\$0
174	Misc. Current and Accrued Assets WIFA Set Aside	\$52,091	\$17,770	\$19,106	\$19,106 ***
174	Misc. Current and Accrued Assets WIFA Reserve Fund	\$42,598	\$2,560	\$20,993	\$32,085 ***
174	Misc. Current and Accrued Assets WIFA Rep. & Maint. Fund	\$0	\$0	\$11,125	\$11,125 ****
	TOTAL CURRENT AND ACCRUED ASSETS	\$133,548	\$44,867	\$75,760	\$86,852
	FIXED ASSETS				
101	Utility Plant In Service *	\$891,866	\$952,882	\$975,000	\$1,675,000 ***
103	Property Held for Future Use	\$0	\$0	\$0	\$0
105	Construction Work in Progress	\$0	\$0	\$0	\$0
108	Accum. Dep. - Utility Plant ("AD-UP") **	-\$277,535	-\$325,056	-\$371,710	-\$502,981
121	Non-Utility Property	\$0	\$0	\$0	\$0
122	Accumulated Depreciation - Utility Plant ("AD-NU")	\$0	\$0	\$0	\$0
	TOTAL FIXED ASSETS	\$614,331	\$627,826	\$603,290	\$1,172,019
	TOTAL ASSETS	\$747,879	\$672,693	\$679,050	\$1,258,871

*** Assuming WIFA Financing Application is Approved
 **** Reserve Fund for WIFA Financing #2 to begin 7/01/11

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR 2003	BALANCE AT END OF TEST YEAR 2004	Pro Forma Balance End of 2005	Pro Forma Balance End of 2006
	CURRENT LIABILITIES				
231	Accounts Payable	\$0	\$29,983	\$61,294	\$29,983
232	Notes Payable (Current Portion)	\$17,000	\$17,000	\$17,000	\$17,000
234	Notes/Accounts Payable to Associated Companies	\$0	\$0	\$0	\$0
235	Customer Deposits	\$14,380	\$13,801	\$13,663	\$13,663
236	Accrued Taxes	\$731	\$700	\$700	\$700
237	Accrued Interest	\$0	\$0	\$0	\$0
241	Miscellaneous Current and Accrued Liabilities	\$0	\$46	\$0	\$0
	TOTAL CURRENT LIABILITIES	\$32,110	\$61,530	\$92,657	\$61,346
	LONG-TERM DEBT (Over 12 Months)				
224	Long-Term Notes and Bonds	\$562,438	\$481,301	\$481,301	\$1,181,300
	DEFERRED CREDITS				
251	Unamortized Premium on Debt	\$0	\$0	\$0	\$0
252	Advances in Aid of Construction **	\$0	\$0	\$0	\$0
255	Accumulated Deferred Investment Tax Credits	\$0	\$0	\$0	\$0
271	Gross Contribution in Aid of Construction *	\$33,286	\$33,286	\$33,286	\$33,286
272	Less: Amortization of Contributions	-\$11,786	-\$13,450	-\$13,450	-\$13,450
281	Accumulated Deferred Income Tax	\$0	\$0	\$0	\$0
	TOTAL DEFERRED CREDITS	\$21,500	\$19,837	\$19,836	\$19,836
	TOTAL LIABILITIES	\$616,048	\$562,667	\$593,794	\$1,262,482

BALANCE SHEET (CONTINUED)

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR 2003	BALANCE AT END OF TEST YEAR 2004	Pro Forma Balance End of 2005	Pro Forma Balance End of 2006
	CAPITAL ACCOUNTS				
201	Common Stock Issued	\$0	\$0	\$0	
211	Paid in Capital in Excess of Par Value	\$0	\$0	\$0	
215	Retained Earnings	-\$10,994	-\$32,798	-\$57,568	-\$146,435
218	Proprietary Capital (Sole Props and Partnerships)	\$142,824	\$142,824	\$142,824	\$142,824
	TOTAL CAPITAL	\$131,830	\$110,026	\$85,256	-\$3,611
	TOTAL LIABILITIES AND CAPITAL	\$747,878	\$672,693	\$679,050	\$1,258,871

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PRESENT RATE SCHEDULE
USING ZERO GALLON MINIMUM AT \$16.43 & EXCESS AT \$2.83 TO 10K, \$4.18 OVER 10K
JANUARY THRU DECEMBER 31, 2004

A	B	C	D	E	F	G	H	I	J	K	L	Q
	# of Bills	Min/Chg \$16.43	B X C Equals Total Min. Chg	Mid Range Decimal 10K	Excess Charge Rates	E X F Excess Charge	G X B Equals Total Excess under 4K Gals	Mid Range Decimal 10K & up	Excess Charge Rates	I X J Excess Charge	K X B Equals Total Excess Charge 10K & Up	D+H+L+P Equals Total Present Rates
0	149	\$16.43	\$2,448.07	0.0	\$2.83	\$0.00	\$0.00					\$2,448.07
1-1000	423	\$16.43	\$6,949.89	0.5	\$2.83	\$1.42	\$598.55					\$7,548.44
1000-2000	292	\$16.43	\$4,797.56	1.5	\$2.83	\$4.25	\$1,239.54					\$6,037.10
2001-3000	290	\$16.43	\$4,764.70	2.5	\$2.83	\$7.08	\$2,051.75					\$6,816.45
3001-4000	284	\$16.43	\$4,666.12	3.5	\$2.83	\$9.91	\$2,813.02					\$7,479.14
4001-5000	307	\$16.43	\$5,044.01	4.5	\$2.83	\$12.74	\$3,909.65					\$8,953.66
5001-6000	304	\$16.43	\$4,994.72	5.5	\$2.83	\$15.57	\$4,731.76					\$9,726.48
6001-7000	273	\$16.43	\$4,485.39	6.5	\$2.83	\$18.40	\$5,021.84					\$9,507.23
7001-8000	251	\$16.43	\$4,123.93	7.5	\$2.83	\$21.23	\$5,327.48					\$9,451.41
8001-9000	208	\$16.43	\$3,417.44	8.5	\$2.83	\$24.06	\$5,003.44					\$8,420.88
9001-10,000	169	\$16.43	\$2,776.67	9.5	\$2.83	\$26.89	\$4,543.57					\$7,320.24
10,001-12,000	219	\$16.43	\$3,598.17	10.0	\$2.83	\$28.30	\$6,197.70	1	4.18	4.18	\$915.42	\$10,711.29
12,001-14,000	175	\$16.43	\$2,875.25	10.0	\$2.83	\$28.30	\$4,952.50	3	4.18	12.54	\$2,194.50	\$10,022.25
14,001-16,000	87	\$16.43	\$1,429.41	10.0	\$2.83	\$28.30	\$2,462.10	5	4.18	20.9	\$1,818.30	\$5,709.81
16,001-18,000	65	\$16.43	\$1,067.95	10.0	\$2.83	\$28.30	\$1,839.50	7	4.18	29.26	\$1,901.90	\$4,809.35
18,001-20,000	36	\$16.43	\$591.48	10.0	\$2.83	\$28.30	\$1,018.80	9	4.18	37.62	\$1,354.32	\$2,964.60
20,001-25,000	53	\$16.43	\$870.79	10.0	\$2.83	\$28.30	\$1,499.90	12.5	4.18	52.25	\$2,769.25	\$5,139.94
25,001-30,000	25	\$16.43	\$410.75	10.0	\$2.83	\$28.30	\$707.50	17.5	4.18	73.15	\$1,828.75	\$2,947.00
30,001-35,000	21	\$16.43	\$345.03	10.0	\$2.83	\$28.30	\$594.30	22.5	4.18	94.05	\$1,975.05	\$2,914.38
35,001-40,000	11	\$16.43	\$180.73	10.0	\$2.83	\$28.30	\$311.30	27.5	4.18	114.95	\$1,264.45	\$1,756.48
40,001-50,000	10	\$16.43	\$164.30	10.0	\$2.83	\$28.30	\$283.00	35	4.18	146.3	\$1,463.00	\$1,910.30
50,001-60,000	3	\$16.43	\$49.29	10.0	\$2.83	\$28.30	\$84.90	45	4.18	188.1	\$564.30	\$698.49
60,001-70,000	3	\$16.43	\$49.29	10.0	\$2.83	\$28.30	\$84.90	55	4.18	229.9	\$689.70	\$823.89
70,001-80,000		\$16.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	65	4.18	271.7	\$0.00	\$0.00
80,001-90,000		\$16.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	75	4.18	313.5	\$0.00	\$0.00
90,001-100,000	1	\$16.43	\$16.43	10.0	\$2.83	\$28.30	\$28.30	85	4.18	355.3	\$355.30	\$400.03
119990	1	\$16.43	\$16.43	10.0	\$2.83	\$28.30	\$28.30	109.99	4.18	459.758	\$459.76	\$504.49
		\$16.43										\$135,021.37
SUB-TOTAL	3660		\$60,133.80				\$55,333.58				\$19,554.00	\$135,021.37

MY DOCUMENTS C: PRESENT RATES 5-8 IN Nac

PRESENT RATE SCHEDULE

[illegible]

MY DOCUMENTS C: PRESENT RATES 5.8 IN NAC

PRESENT RATE SCHEDULE
 USING ZERO GALLON MINIMUM AT \$41.43 & EXCESS AT \$2.83 TO 10K, \$4.18 OVER 10K
 JANUARY THRU DECEMBER 31, 2004

A	B	C	D	E	F	G	H	I	J	K	L	Q
	# of Bills	Min/Chg \$41.43	B X C Equals Total Min. Chg	Mid Range Decimal 10K	Excess Charge Rates	E X F Excess Charge	G X B Equals Total Excess under 4K Gals	Mid Range Decimal 10K & up	Excess Charge Rates	I X J Excess Charge	K X B Equals Total Excess Charge 10K & Up	D+H+L+P Equals Total Present Rates
0	12	\$41.43	\$497.16	0.0	\$2.83	\$0.00	\$0.00					\$497.16
1-1000	24	\$41.43	\$994.32	0.5	\$2.83	\$1.42	\$33.96					\$1,028.28
1000-2000	1	\$41.43	\$41.43	1.5	\$2.83	\$4.25	\$4.25					\$45.68
2001-3000	1	\$41.43	\$41.43	2.5	\$2.83	\$7.08	\$7.08					\$48.51
3001-4000	3	\$41.43	\$124.29	3.5	\$2.83	\$9.91	\$29.72					\$154.01
4001-5000	1	\$41.43	\$41.43	4.5	\$2.83	\$12.74	\$12.74					\$54.17
5001-6000	2	\$41.43	\$82.86	5.5	\$2.83	\$15.57	\$31.13					\$113.99
6001-7000	4	\$41.43	\$165.72	6.5	\$2.83	\$18.40	\$73.58					\$239.30
7001-8000	5	\$41.43	\$207.15	7.5	\$2.83	\$21.23	\$106.13					\$313.28
8001-9000	7	\$41.43	\$290.01	8.5	\$2.83	\$24.06	\$168.39					\$458.40
9001-10,000	4	\$41.43	\$165.72	9.5	\$2.83	\$26.89	\$107.54					\$273.26
10,001-12,000	1	\$41.43	\$41.43	10.0	\$2.83	\$28.30	\$28.30	1	4.18	4.18	\$4.18	\$73.91
12,001-14,000	2	\$41.43	\$82.86	10.0	\$2.83	\$28.30	\$56.60	3	4.18	12.54	\$25.08	\$164.54
14,001-16,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	5	4.18	20.9	\$0.00	\$0.00
16,001-18,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	7	4.18	29.26	\$0.00	\$0.00
18,001-20,000	1	\$41.43	\$41.43	10.0	\$2.83	\$28.30	\$28.30	9	4.18	37.62	\$37.62	\$107.35
20,001-25,000	3	\$41.43	\$124.29	10.0	\$2.83	\$28.30	\$84.90	12.5	4.18	52.25	\$156.75	\$365.94
25,001-30,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	17.5	4.18	73.15	\$0.00	\$0.00
30,001-35,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	22.5	4.18	94.05	\$0.00	\$0.00
35,001-40,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	27.5	4.18	114.95	\$0.00	\$0.00
40,001-50,000	1	\$41.43	\$41.43	10.0	\$2.83	\$28.30	\$28.30	35	4.18	146.3	\$146.30	\$216.03
50,001-60,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	45	4.18	188.1	\$0.00	\$0.00
60,001-70,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	55	4.18	229.9	\$0.00	\$0.00
70,001-80,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	65	4.18	271.7	\$0.00	\$0.00
80,001-90,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	75	4.18	313.5	\$0.00	\$0.00
90,001-100,000	0	\$41.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	85	4.18	355.3	\$0.00	\$0.00
												\$4,153.78
							\$800.89				\$369.93	\$4,153.78
SUB-TOTAL	72		\$2,982.96									

MY DOCUMENTS C: PRESENT RATES 5-8 IN Nac

PRESENT RATE SCHEDULE

A	B	C	D	E	F	G	H	I	J	K	L	Q
	# of Bills	Min/Chg \$48.43	B X C Equals Total Min. Chg	Mid Range Decimal 10K	Excess Charge Rates	E X F Excess Charge	G X B Equals Total Excess under 4K Gals	Mid Range Decimal 10K & up	Excess Charge Rates	I X J Excess Charge	K X B Equals Total Excess Charge 10K & Up	D+H+L+P Equals Total Present Rates
0	5	\$48.43	\$242.15	0.0	\$2.83	\$0.00	\$0.00					\$242.15
1-1000	0	\$48.43	\$0.00	0.5	\$2.83	\$1.42	\$0.00					\$0.00
1000-2000	0	\$48.43	\$0.00	1.5	\$2.83	\$4.25	\$0.00					\$0.00
2001-3000	4	\$48.43	\$193.72	2.5	\$2.83	\$7.08	\$28.30					\$222.02
3001-4000	1	\$48.43	\$48.43	3.5	\$2.83	\$9.91	\$9.91					\$58.34
4001-5000	4	\$48.43	\$193.72	4.5	\$2.83	\$12.74	\$50.94					\$244.66
5001-6000	2	\$48.43	\$96.86	5.5	\$2.83	\$15.57	\$31.13					\$127.99
6001-7000	3	\$48.43	\$145.29	6.5	\$2.83	\$18.40	\$55.19					\$200.48
7001-8000	2	\$48.43	\$96.86	7.5	\$2.83	\$21.23	\$42.45					\$139.31
8001-9000	0	\$48.43	\$0.00	8.5	\$2.83	\$24.06	\$0.00					\$0.00
9001-10,000	1	\$48.43	\$48.43	9.5	\$2.83	\$26.89	\$26.89					\$75.32
10,001-12,000	7	\$48.43	\$339.01	10.0	\$2.83	\$28.30	\$198.10	1	4.18	4.18	\$29.26	\$566.37
12,001-14,000	0	\$48.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	3	4.18	12.54	\$0.00	\$0.00
14,001-16,000	4	\$48.43	\$193.72	10.0	\$2.83	\$28.30	\$113.20	5	4.18	20.9	\$83.60	\$390.52
16,001-18,000	0	\$48.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	7	4.18	29.26	\$0.00	\$0.00
18,001-20,000	2	\$48.43	\$96.86	10.0	\$2.83	\$28.30	\$56.60	9	4.18	37.62	\$75.24	\$228.70
20,001-25,000	0	\$48.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	12.5	4.18	52.25	\$0.00	\$0.00
25,001-30,000	0	\$48.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	17.5	4.18	73.15	\$0.00	\$0.00
30,001-35,000	2	\$48.43	\$96.86	10.0	\$2.83	\$28.30	\$56.60	22.5	4.18	94.05	\$188.10	\$1,150.08
35,001-40,000	6	\$48.43	\$290.58	10.0	\$2.83	\$28.30	\$169.80	27.5	4.18	114.95	\$689.70	\$223.03
40,001-50,000	1	\$48.43	\$48.43	10.0	\$2.83	\$28.30	\$28.30	35	4.18	146.3	\$146.30	\$1,588.98
50,001-60,000	6	\$48.43	\$290.58	10.0	\$2.83	\$28.30	\$169.80	45	4.18	188.1	\$1,128.60	\$613.26
60,001-70,000	2	\$48.43	\$96.86	10.0	\$2.83	\$28.30	\$56.60	55	4.18	229.9	\$459.80	\$696.86
70,001-80,000	2	\$48.43	\$96.86	10.0	\$2.83	\$28.30	\$56.60	65	4.18	271.7	\$543.40	\$0.00
80,001-90,000	0	\$48.43	\$0.00	10.0	\$2.83	\$28.30	\$0.00	75	4.18	313.5	\$0.00	\$0.00
90,001-100,000	1	\$48.43	\$48.43	10.0	\$2.83	\$28.30	\$28.30	85	4.18	355.3	\$355.30	\$432.03
103,900	1	\$48.43	\$48.43	10.0	\$2.83	\$28.30	\$28.30	93.9	4.18	392.502	\$392.50	\$469.23
115,400	1	\$48.43	\$48.43	10.0	\$2.83	\$28.30	\$28.30	105.4	4.18	440.572	\$440.57	\$517.30
132,500	1	\$48.43	\$48.43	10.0	\$2.83	\$28.30	\$28.30	122.5	4.18	512.05	\$512.05	\$588.78
174,900	1	\$48.43	\$48.43	10.0	\$2.83	\$28.30	\$28.30	164.9	4.18	689.282	\$689.28	\$766.01
249,200	1	\$48.43	\$48.43	10.0	\$2.83	\$28.30	\$28.30	239.2	4.18	999.856	\$999.86	\$1,076.59</

ANY DOCUMENTS C. PRESENT RATES 5.8 IN NAC

PRESERVE RATE SCHEDULE

[illegible]

PRESENT RATE SCHEDULE
 SURCHARGE #2 PER BILL
 AUGUST 1 THRU AUGUST 31, 2005 (Actual Pro-Rated Charge)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DQ	DR	DS	DT	DU	DV	DW	DX	DY	DZ	EA	EB	EC	ED	EE	EF	EG	EH	EI	EJ	EK	EL	EM	EN	EO	EP	EQ	ER	ES	ET	EU	EV	EW	EX	EY	EZ	FA	FB	FC	FD	FE	FF	FG	FH	FI	FJ	FK	FL	FM	FN	FO	FP	FQ	FR	FS	FT	FU	FV	FW	FX	FY	FZ	GA	GB	GC	GD	GE	GF	GG	GH	GI	GJ	GK	GL	GM	GN	GO	GP	GQ	GR	GS	GT	GU	GV	GW	GX	GY	GZ	HA	HB	HC	HD	HE	HF	HG	HH	HI	HJ	HK	HL	HM	HN	HO	HP	HQ	HR	HS	HT	HU	HV	HW	HX	HY	HZ	IA	IB	IC	ID	IE	IF	IG	IH	II	IJ	IK	IL	IM	IN	IO	IP	IQ	IR	IS	IT	IU	IV	IW	IX	IY	IZ	JA	JB	JC	JD	JE	JF	JG	JH	JI	IJ	JK	KL	KM	KN	KO	KP	KQ	KR	KS	KT	KU	KV	KW	KX	KY	KZ	LA	LB	LC	LD	LE	LF	LG	LH	LI	LJ	LK	LL	LM	LN	LO	LP	LQ	LR	LS	LT	LU	LV	LW	LX	LY	LZ	MA	MB	MC	MD	ME	MF	MG	MH	MI	MJ	MK	ML	MM	MN	MO	MP	MQ	MR	MS	MT	MU	MV	MW	MX	MY	MZ	NA	NB	NC	ND	NE	NF	NG	NH	NI	NJ	NK	NL	NM	NN	NO	NP	NQ	NR	NS	NT	NU	NV	NW	NX	NY	NZ	OA	OB	OC	OD	OE	OF	OG	OH	OI	OJ	OK	OL	OM	ON	OO	OP	OQ	OR	OS	OT	OU	OV	OW	OX	OY	OZ	PA	PB	PC	PD	PE	PF	PG	PH	PI	PJ	PK	PL	PM	PN	PO	PP	PQ	PR	PS	PT	PU	PV	PW	PX	PY	PZ	QA	QB	QC	QD	QE	QF	QG	QH	QI	QJ	QK	QL	QM	QN	QO	QP	QQ	QR	QS	QT	QU	QV	QW	QX	QY	QZ	RA	RB	RC	RD	RE	RF	RG	RH	RI	RJ	RK	RL	RM	RN	RO	RP	RQ	RR	RS	RT	RU	RV	RW	RX	RY	RZ	SA	SB	SC	SD	SE	SF	SG	SH	SI	SJ	SK	SL	SM	SN	SO	SP	SQ	SR	SS	ST	SU	SV	SW	SX	SY	SZ	TA	TB	TC	TD	TE	TF	TG	TH	TI	TJ	TK	TL	TM	TN	TO	TP	TQ	TR	TS	TT	TU	TV	TW	TX	TY	TZ	UA	UB	UC	UD	UE	UF	UG	UH	UI	UJ	UK	UL	UM	UN	UO	UP	UQ	UR	US	UT	UU	UV	UW	UX	UY	UZ	VA	VB	VC	VD	VE	VF	VG	VH	VI	VJ	VK	VL	VM	VN	VO	VP	VQ	VR	VS	VT	VU	VV	VW	VX	VY	VZ	WA	WB	WC	WD	WE	WF	WG	WH	WI	WJ	WK	WL	WM	WN	WO	WP	WQ	WR	WS	WT	WU	WV	WW	WX	WY	WZ	XA	XB	XC	XD	XE	XF	YG	YH	YI	YJ	YK	YL	YM	YN	YO	YP	YQ	YR	YS	YT	YU	YV	YW	YX	YY	YZ	ZA	ZB	ZC	ZD	ZE	ZF	ZG	ZH	ZI	ZJ	ZK	ZL	ZM	ZN	ZO	ZP	ZQ	ZR	ZS	ZT	ZU	ZV	ZW	ZX	ZY	ZZ	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DQ	DR	DS	DT	DU	DV	DW	DX	DY	DZ	EA	EB	EC	ED	EE	EF	EG	EH	EI	EJ	EK	EL	EM	EN	EO	EP	EQ	ER	ES	ET	EU	EV	EW	EX	EY	EZ	FA	FB	FC	FD	FE	FF	FG	GH	GI	GJ	GK	GL	GM	GN	GO	GP	GQ	GR	GS	GT	GU	GV	GW	GX	GY	GZ	HA	HB	HC	HD	HE	HF	HG	HH	HI	HJ	HK	HL	HM	HN	HO	HP	HQ	HR	HS	HT	HU	HV	HW	HX	HY	HZ	IA	IB	IC	ID	IE	IF	IG	IH	II	IJ	IK	IL	IM	IN	IO	IP	IQ	IR	IS	IT	IU	IV	IW	IX	IY	IZ	JA	JB	JC	JD	JE	JF	JG	JH	JI	IJ	JK	KL	KM	KN	KO	KP	KQ	KR	KS	KT	KU	KV	KW	KX	KY	KZ	LA	LB	LC	LD	LE	LF	LG	LH	LI	LJ	LK	LL	LM	LN	LO	LP	LQ	LR	LS	LT	LU	LV	LW	LX	LY	LZ	MA	MB	MC	MD	ME	MF	MG	MH	MI	MJ	MK	ML	MM	MN	MO	MP	MQ	MR	MS	MT	MU	MV	MW	MX	MY	MZ	NA	NB	NC	ND	NE	NF	NG	NH	NI	NJ	NK	NL	NM	NN	NO	NP	NQ	NR	NS	NT	NU	NV	NW	NX	NY	NZ	OA	OB	OC	OD	OE	OF	OG	OH	OI	OJ	OK	OL	OM	ON	OO	OP	OQ	OR	OS	OT	OU	OV	OW	OX	OY	OZ	PA	PB	PC	PD	PE	PF	PG	PH	PI	PJ	PK	PL	PM	PN	PO	PP	PQ	PR	PS	PT	PU	PV	PW	PX	PY	PZ	QA	QB	QC	QD	QE	QF	QG	QH	QI	QJ	QK	QL	QM	QN	QO	QP	QQ	QR	QS	QT	QU	QV	QW	QX	QY	QZ	RA	RB	RC	RD	RE	RF	RG	RH	RI	RJ	RK	RL	RM	RN	RO	RP	RQ	RR	RS	RT	RU	RV	RW	RX	RY	RZ	SA	SB	SC	SD	SE	SF	SG	SH	SI	SJ	SK	SL	SM	SN	SO	SP	SQ	SR	SS	ST	SU	SV	SW	SX	SY	SZ	TA	TB	TC	TD	TE	TF	TG	TH	TI	TJ	TK	TL	TM	TN	TO	TP	TQ	TR	TS	TT	TU	TV	TW	TX	TY	TZ	UA	UB	UC	UD	UE	UF	UG	UH	UI	UJ	UK	UL	UM	UN	UO	UP	UQ	UR	US	UT	UU	UV	UW	UX	UY	UZ	VA	VB	VC	VD	VE	VF	VG	VH	VI	VJ	VK	VL	VM	VN	VO	VP	VQ	VR	VS	VT	VU	VV	VW	VX	VY	VZ	WA	WB	WC	WD	WE	WF	WG	WH	WI	WJ	WK	WL	WM	WN	WO	WP	WQ	WR	WS	WT	WU	WV	WW	WX	WY	WZ	XA	XB	XC	XD	XE	XF	YG	YH	YI	YJ	YK	YL	YM	YN	YO	YP	YQ	YR	YS	YT	YU	YV	YW	YX	YY	YZ	ZA	ZB	ZC	ZD	ZE	ZF	ZG	ZH	ZI	ZJ	ZK	ZL	ZM	ZN	ZO	ZP	ZQ	ZR	ZS	ZT	ZU	ZV	ZW	ZX	ZY	ZZ	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DQ	DR	DS	DT	DU	DV	DW	DX	DY	DZ	EA	EB	EC	ED	EE	EF	EG	EH	EI	EJ	EK	EL	EM	EN	EO	EP	EQ	ER	ES	ET	EU	EV	EW	EX	EY	EZ	FA	FB	FC	FD	FE	FF	FG	GH	GI	GJ	GK	GL	GM	GN	GO	GP	GQ	GR	GS	GT	GU	GV	GW	GX	GY	GZ	HA	HB	HC	HD	HE	HF	HG	HH	HI	HJ	HK	HL	HM	HN	HO	HP	HQ	HR	HS	HT	HU	HV	HW	HX	HY	HZ	IA	IB	IC	ID	IE	IF	IG	IH	II	IJ	IK	IL	IM	IN	IO	IP	IQ	IR	IS	IT	IU	IV	IW	IX	IY	IZ	JA	JB	JC	JD	JE	JF	JG	JH	JI	IJ	JK	KL	KM	KN	KO	KP	KQ	KR	KS	KT	KU	KV	KW	KX	KY	KZ	LA	LB	LC	LD	LE	LF	LG	LH	LI	LJ	LK	LL	LM	LN	LO	LP	LQ	LR	LS	LT	LU	LV	LW	LX	LY	LZ	MA	MB	MC	MD	ME	MF	MG	MH	MI	MJ	MK	ML	MM	MN	MO	MP	MQ	MR	MS	MT	MU	MV	MW	MX	MY	MZ	NA	NB	NC	ND	NE	NF	NG	NH	NI	NJ	NK	NL	NM	NN	NO	NP	NQ	NR	NS	NT	NU	NV	NW	NX	NY	NZ	OA	OB	OC	OD	OE	OF	OG	OH	OI	OJ	OK	OL	OM	ON	OO	OP	OQ	OR	OS	OT	OU	OV	OW	OX	OY	OZ	PA	PB	PC	PD	PE	PF	PG	PH	PI	PJ	PK	PL	PM	PN	PO	PP	PQ	PR	PS	PT	PU	PV	PW	PX	PY	PZ	QA	QB	QC	QD	QE	QF	QG	QH	QI	QJ	QK	QL	QM	QN	QO	QP	QQ	QR	QS	QT	QU	QV	QW	QX	QY	QZ	RA	RB	RC	RD	RE	RF	RG	RH	RI	RJ	RK	RL	RM	RN	RO	RP	RQ	RR	RS	RT	RU	RV	RW	RX	RY	RZ	SA	SB	SC	SD	SE	SF	SG	SH	SI	SJ	SK	SL	SM	SN	SO	SP	SQ	SR	SS	ST	SU	SV	SW	SX	SY	SZ	TA	TB	TC	TD	TE	TF	TG	TH	TI	TJ	TK	TL	TM	TN	TO	TP	TQ	TR	TS	TT	TU	TV	TW	TX	TY	TZ	UA	UB	UC	UD	UE	UF	UG	UH	UI	UJ	UK	UL	UM	UN	UO	UP	UQ	UR	US	UT	UU	UV	UW	UX	UY	UZ	VA	VB	VC	VD	VE	VF	VG	VH	VI	VJ	VK	VL	VM	VN	VO	VP	VQ	VR	VS	VT	VU	VV	VW	VX	VY	VZ	WA	WB	WC	WD	WE	WF	WG	WH	WI	WJ	WK	WL	WM	WN	WO	WP	WQ	WR	WS	WT	WU	WV	WW	WX	WY	WZ	XA	XB	XC	XD	XE	XF	YG	YH	YI	YJ	YK	YL	YM	YN	YO	YP	YQ	YR	YS	YT	YU	YV	YW	YX	YY	YZ	ZA	ZB	ZC	ZD	ZE	ZF	ZG	ZH	ZI	ZJ	ZK	ZL	ZM	ZN	ZO	ZP	ZQ	ZR	ZS	ZT	ZU	ZV	ZW	ZX	ZY	ZZ	AA	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AR	AS	AT	AU	AV	AW	AX	AY	AZ	BA	BB	BC	BD	BE	BF	BG	BH	BI	BJ	BK	BL	BM	BN	BO	BP	BQ	BR	BS	BT	BU	BV	BW	BX	BY	BZ	CA	CB	CC	CD	CE	CF	CG	CH	CI	CJ	CK	CL	CM	CN	CO	CP	CQ	CR	CS	CT	CU	CV	CW	CX	CY	CZ	DA	DB	DC	DD	DE	DF	DG	DH	DI	DJ	DK	DL	DM	DN	DO	DP	DQ	DR	DS	DT	DU	DV	DW	DX	DY	DZ	EA	EB	EC	ED	EE	EF	EG	EH	EI	EJ	EK	EL	EM	EN	EO	EP	EQ	ER	ES	ET	EU	EV	EW	EX	EY	EZ	FA	FB	FC	FD	FE	FF	FG	GH	GI	GJ	GK	GL	GM	GN	GO	GP	GQ	GR	GS	GT	GU	GV	GW	GX	GY	GZ	HA	HB	HC	HD	HE	HF	HG	HH	HI	HJ	HK	HL	HM	HN
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PRESENT RATE SCHEDULE
SURCHARGE #2 PER BILL

[illegible]

AFFIDAVIT

I, Bonnie L. O'Connor Member of Naco Water Company, LLC. hereby certify that the
customers notification attached to this affidavit will be provided to all
customers of Naco Water Company, LLC by U.S. Mail on the 17th Day of
October, 2005.

B. L. O'Connor

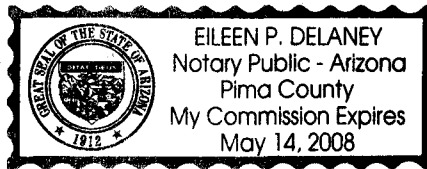
Date: 10/14/05

Bonnie L. O'Connor

For

Salim S. Dominguez, Jr.

County of Pima)
) SS
State of Arizona)



Signed before me this 14 Day of October, 2005

Eileen P. Delaney
Notary Public

My Commission Expires: May 14, 2008

PUBLIC NOTICE
OF
AN APPLICATION FOR AN ORDER
AUTHORIZING THE ISSUANCE OF DEBT
BY NACO WATER COMPANY, LLC

Naco Water Company, LLC. filed an Application with the Arizona Corporation Commission (Commission) for an order authorizing Applicant to issue \$700,000.00 + of debt. The application is available for inspection during regular business hours at the office of the Commission at 400 West Congress, Suite 218, Tucson, Arizona 85701 and the Company's offices at 2102 N. Forbes Blvd., Suite 107, Tucson, Arizona 85745.

Intervention in the Commission's proceedings on the application shall be permitted to any person entitled by law to intervene and having a direct substantial interest in this matter. Persons desiring to intervene must file Motion to Intervene with the Commission which must be served upon the applicant and which, at a minimum, shall contain the following information:

1. The name, address and telephone number of the proposed intervener and of any person upon whom service of documents is to be made if different from the intervener.
2. A short statement of the proposed intervener's interest in the proceeding.
3. Whether the proposed intervener desires a formal evidentiary hearing on the application and the reasons for such a hearing.
4. A statement certifying that a copy of the Motion to Intervene has been mailed to Applicant.

The granting of Motions to Intervene shall be governed by A.A.C. R14-3-105, except that all motions to Intervene must be filed on, or before, the 15th day after this notice.